

**LEGISLATIVE SERVICES AGENCY
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

200 W. Washington, Suite 301
Indianapolis, IN 46204
(317) 233-0696
<http://www.in.gov/legislative>

FISCAL IMPACT STATEMENT

LS 6243

BILL NUMBER: HB 1086

NOTE PREPARED: Dec 5, 2011

BILL AMENDED:

SUBJECT: Placement of Juveniles Outside Indiana.

FIRST AUTHOR: Rep. Moses

FIRST SPONSOR:

BILL STATUS: As Introduced

FUNDS AFFECTED: ☒ **GENERAL**
☐ **DEDICATED**
☐ **FEDERAL**

IMPACT: State

Summary of Legislation: This bill removes a provision stating that the Department of Child Services (DCS) is responsible for payment of any costs or expenses for housing or services provided to or for the benefit of a child placed by a juvenile court in a home or facility located outside Indiana only if the Director of the DCS or the Director's designee recommends or approves the placement.

The bill provides that DCS is responsible for these costs and expenses if a juvenile court places a child in a home or facility that is located outside Indiana and: (1) the juvenile court makes written findings based on clear and convincing evidence that: (A) the out-of-state placement is appropriate because there is not a comparable facility with adequate services located in Indiana; or (B) the location of the home or facility is within a distance not greater than 50 miles from the county of residence of the child; or the placement is recommended or approved by the Director of DCS or the Director's designee; and (2) the placement is less expensive than similar services that can be provided in Indiana.

Effective Date: July 1, 2012.

Explanation of State Expenditures: This bill changes the conditions under which DCS is responsible to pay for the costs of services or housing for CHINS and juvenile delinquents. Currently, DCS is not responsible for the costs of services or housing if the proposed placement is not recommended or approved by DCS. Under the bill, DCS would be responsible for the costs of services or housing if the placement is no more expensive than similar services provided within the state *and* meets one of the following conditions:

- (1) The proposed placement is recommended by DCS.
- (2) The juvenile court determines that out-of-state placement is in the best interest of the child

because there are no comparable facilities within the state.

(3) The location of the facility is within 50 miles of the child's county of residence.

This bill may increase state expenditures to the extent out-of-state placements increase. Increases in out-of-state placements and state expenditures are indeterminable.

Background Information: As of November 2011, there were approximately 6 children placed out of state. These states include Arizona and Nebraska. In CY 2010, only four requests have been submitted to DCS for review for out-of-state placement.

The annual per-child cost for out-of-state placement is \$66,000. This cost includes the annual cost of placement (\$52,000) as well as travel costs for DCS family case managers to meet with children placed out of state three times per year (\$14,000).

During the period between October 2010 and September 2011, the DCS spent a total of \$84,500 in travel expenses for DCS employees to visit children placed out of state (approximately \$14,000 per child).

The DCS reports the average bundled rate for children currently placed in residential facilities *within* the state of Indiana to be \$189 per child per day. The annual average cost for in-state placement in residential facilities is estimated to be \$68,900 per year, which is greater than the estimated annual cost for out-of-state placement.

The DCS reports the average length of time a child is placed in out-of-state and in-state facilities to be 733.5 days and 642 days, respectively. Given the per-day cost of out-of-state placement (approximately \$181) and in-state placement (\$189) and the average duration of placement, the average cost of out-of-state and in-state placement for the duration of the placement is estimated to be \$132,764 and \$121,338, respectively.

Type of Placement	Average Daily Rate	Average Duration of Placement	Estimated Cost to Duration of Placement
Out-of-State	\$181	733.5 days	\$132,764
In-State	\$189	642 days	\$121,338

Explanation of State Revenues:

Explanation of Local Expenditures: This bill may decrease local court expenditures to the extent DCS will be required to finance the out-of-state treatment services that otherwise would have been financed by the local court. Currently, if DCS does not pay the costs of out-of-state treatment, the local court finances the treatment costs. Per statute, the parent of a child receiving services can be held responsible for some, if not all, of the costs of treatment provided by the court.

Explanation of Local Revenues:

State Agencies Affected: DCS.

Local Agencies Affected: Courts.

Information Sources: Brady Brookes, DCS.

Fiscal Analyst: Bill Brumbach, 232-9559.